

**UNORTHODOX
LOCATION**

SECRETARY'S POTASH

**oed Hobbs
HOBBS OCD**

MAY 21 2014

RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

Split Estate

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER		5. Lease Serial No. SHL: NMLC0066126; BHL: NMNM056265	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Nearburg Producing Company		7. If Unit or CA Agreement, Name and No.	
3a. Address 3300 N A Street, Bldg 2, Ste 120, Midland, Tx 79705		8. Lease Name and Well No. Lea South 25 Federal Com #9H	
3b. Phone No. (include area code) 432-686-8235		9. API Well No. 30-025- 41859	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At Surface 93' FSL & 806' FWL At proposed prod. Zone 330' FNL & 810' FWL Horizontal Bone Spring test		10. Field and Pool, or Exploratory Lea South Bone Spring	
14. Distance in miles and direction from nearest town or post office* Approximately 23 miles NW of Eunice NM		11. Sec., T. R. M. or Blk. and Survey or Area 25-20S-34E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line if any) 93'		12. County or Parish Lea	
16. No of acres in lease NMLC0066126 - 800 acres; NMNM056265 - 240 acres		13. State NM	
17. Spacing Unit dedicated to this well 160		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 150' - #5H	
19. Proposed Depth 14,454' MD 9,800' TVD		20. BLM/BIA Bond No. on File NMB 000133 NM2573, NMB000835	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3728' GR		22. Approximate date work will start* 08.15.13	
23. Estimated duration 35 days		24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator Certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Tim Green	Date 05.28.13
Title Manager of Marketing and Production Services		
Approved By (Signature) /s/George MacDonell	Name (Printed/Typed)	Date
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	MAY 19 2014

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

(Instructions on page 2)

CAPITAN CONTROLLED WATER BASIN

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED**

MAY 27 2014

06/22/14

K2

Company: Nearburg Producing Company
Proposed Well: Lea South 25 Federal Com #9H
Federal Lease Number: SHL: NMLC0066126 BHL: NMNM056265

HOBBS OCD

MAY 21 2014

RECEIVED

Please be advised that Cimarex Energy Co. has an agreement with both Nearburg Producing Company for operating their lease as well as having an agreement with the property surface owner, Ms. Linda Jurva, Trustee for Ms. Martha Skeen, 6301 Porter Road, Carlsbad, NM 88220 (575) 910-6731, concerning entry and surface restoration after completion of drilling operations at the above described well.

After abandonment of the well, all pits will be filled and levelled and all equipment and trash will be removed from the well site. No other requirements were made concerning restoration of the well site.

October 31, 2013
Date


Tim Green, Manager of Marketing and Production Services
Nearburg Producing Company

Drilling Plan
Lea South 25 Federal Com #9H
Nearburg Producing Co. Agent: Cimarex Energy Co.
UL: M, Sec. 25-20S-34E
Lea County, NM

9 Cementing Program:

Surface	Sacks	Yield (cuft/sx)	Weight (ppg)	Cubic Feet	Cement Blend
Lead	1060	1.75	13.5	1862	Class C + Bentonite + Calcium Chloride + LCM
Tail	220	1.34	14.8	291	Class C + LCM
TOC: 0' 85% Excess Centralizers per Onshore Order 2.III.B.1f					

Intermediate	Sacks	Yield (cuft/sx)	Weight (ppg)	Cubic Feet	Cement Blend
Lead	1190	1.88	12.9	2232	35:65 (poz/C) + Salt + Bentonite + LCM + retarder
Tail	320	1.34	14.8	423	Class C + retarder + LCM
TOC: 0' 79% Excess					

See COA

Production	Sacks	Yield (cuft/sx)	Weight (ppg)	Cubic Feet	Cement Blend
Lead	489	2.4	11.9	1175	35:65 (poz/H) + salt + Sodium Metasilicate + Bentonite + Fluid Loss + Dispersant + LCM + Retarder
Tail	1440	1.24	14.5	1785	50:50 (poz/H) + Bentonite + Salt + Fluid Loss + Dispersant + LCM + Retarder

Cement volumes will be adjusted depending on hole size.

TOC: ~~4980'~~ 25% Excess No centralizers planned in the lateral section. 1 every jt from EOC to KOP. 1 every 4th joint from KOP to 500' inside previous casing.

See COA

10 Pressure Control Equipment:

Exhibit "E-1". A 13 3/4" 5000 PSI working pressure BOP, tested to 3000 psi on the surface casing and 5000 psi on the intermediate, consisting of one set of blind rams and one set of pipe rams and a 5000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head as needed. A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

BOP unit will be hydraulically operated. BOP will be installed and operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling.

BOPS will be tested by an independent service company to 250 psi low and 3000 psi high on the surface casing and 250 psi low and 5000 psi high on the intermediate. Hydril will be tested to 250 psi low and 2500 psi high on the surface and intermediate casings.

See COA
Nearburg Producing Co. requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached (please see Exhibit F, F-1, F-2, F-3). The hose is not required by the manufacturer to be anchored. In the event the specific hose is not available, one of equal or higher rating will be used.

Application to Drill
Lea South 25 Federal Com #9H
Nearburg Producing Co. Agent: Cimarex Energy Co.
UL: M, Sec. 25-20S-34E
Lea County, NM

See COA

11 Proposed Mud Circulating System:

Depth	Mud Wt	Visc	Fluid Loss	Type Mud
0' to 1780'	8.4	28	NC	FW Spud Mud
1675' to 5480'	10.2	30-32	NC	Brine water
5480' to 14454'	9.2	30-32	NC	FW/Cut Brine

Sufficient mud materials will be kept on location at all times in order to combat lost circulation or unexpected kicks. In order to run DSTs, open hole logs, and casing, the viscosity and water loss may have to be adjusted in order to meet these needs.

The Mud Monitoring System is an electronic Pason System satisfying requirements of Onshore Order 1.

12 Proposed Drilling Plan

Pilot Hole TD: No Pilot Hole KOP: 9,323' EOC: 10073'
Set Surface and Intermediate casing strings. Drill production hole to KOP. Continue drilling lateral through the curve to TD. Run prod casing & cement.

13 Testing, Logging and Coring Program:

- A. Mud logging program: 2 man unit from 5480' to TD
- B. Electric logging program: CNL / LDT / CAL / GR, DLL / GR -- Inter. Csg to TD
CNL / GR -- Surf to Inter. Csg
- C. No DSTs or cores are planned at this time.
- D. CBL w/ CCL from as far as gravity will let it fall to TOC

14 Potential Hazards:

No abnormal pressures or temperatures are expected. In accordance with Onshore Order 6, Cimarex does not anticipate that there will be enough H₂S from the surface to the Bone Spring formations to meet the BLM's minimum requirements for the submission of an "H₂S Drilling Operation Plan" or "Public Protection Plan" for the drilling and completion of this well. Since we have an H₂S Safety package on all wells, attached is an "H₂S Drilling Operations Plan." Adequate flare lines will be installed off the mud / gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used.

Estimated BHP **4410 psi** Estimated BHT **160°**

15 Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved.

Drilling expected to take : **35 days**
If production casing is run an additional 30 days will be required to complete and construct surface facilities.

16 Other Facets of Operations:

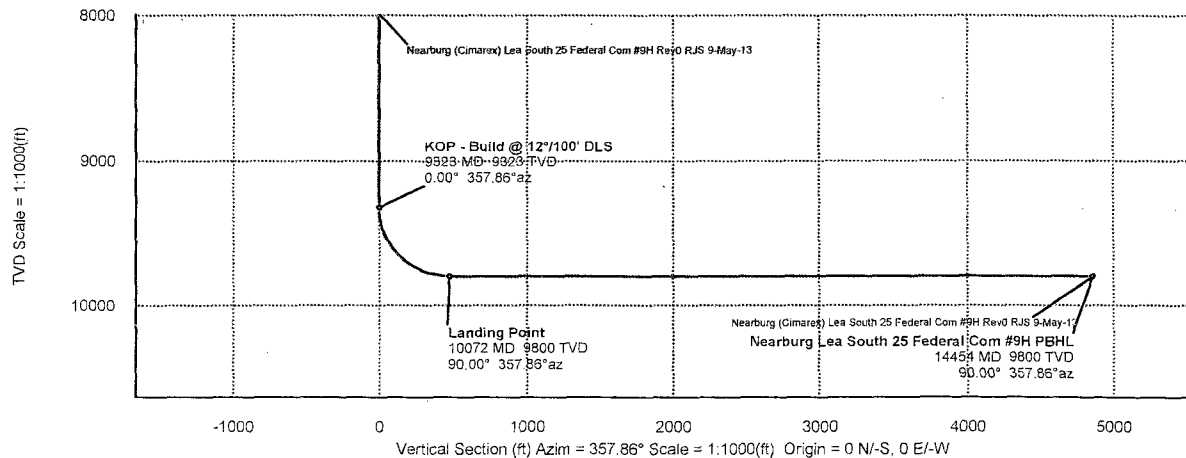
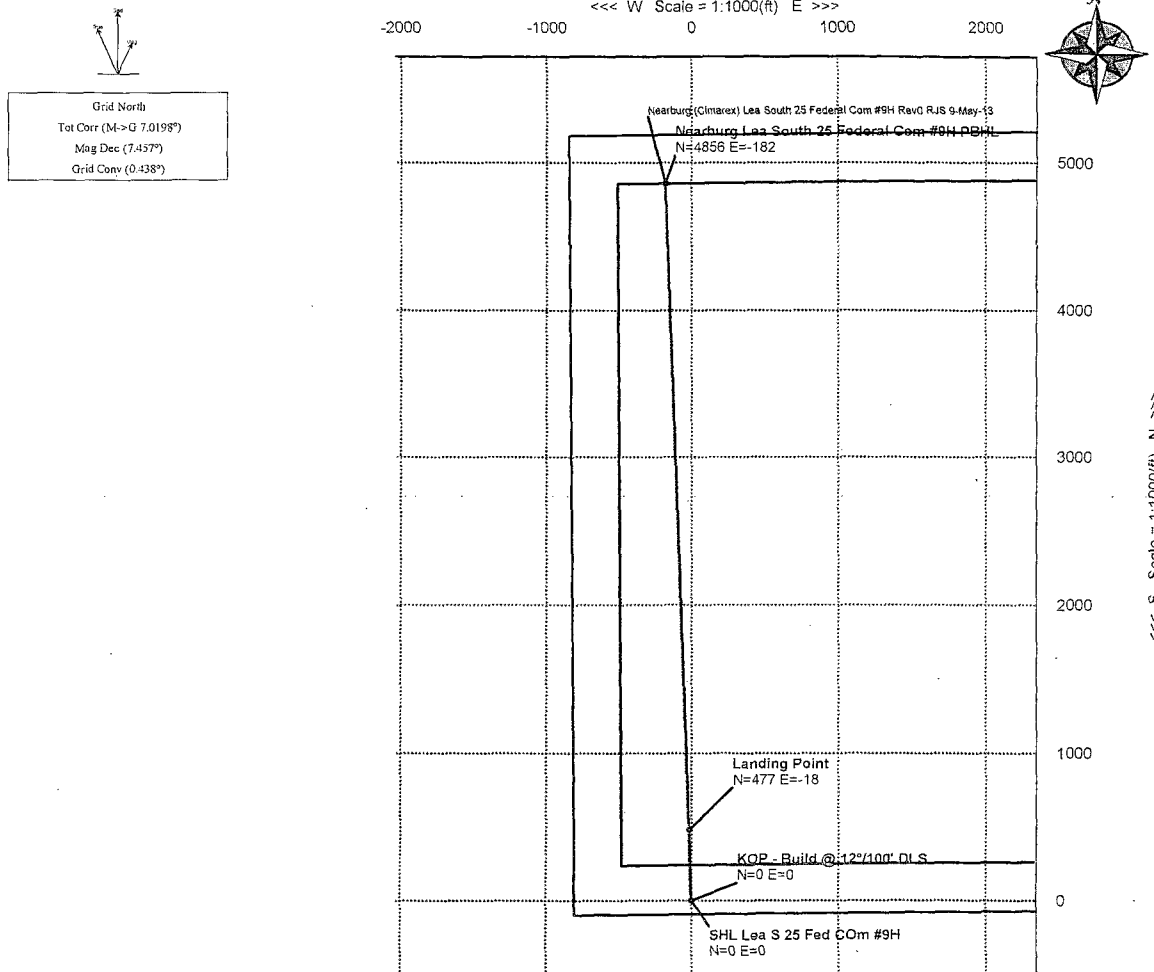
After running casing, cased hole gamma ray neutron collar logs will be run from TD over possible pay intervals.
Bone Spring pay will be perforated and stimulated.
The proposed well will be tested and potential as **Oil**



Cimarex/Nearburg

PATHFINDER
A Schlumberger Company

WELL				Lea South 25 Federal Com #9H				FIELD				NM Lea County				STRUCTURE				TBD											
Magnetic Parameters																Surface Location								Miscellaneous							
Model		SGOM 2012		Dip		90.400°		Date		May 08, 2013		Lat		N 32 32 13.559		Nothing		560085.10 NUS		Grid Zone		0.438°		Plot		Lea South 25 Federal Com #9H RevD RJS 9-May-13		Ground Level		3728ft above MSL	
				Mag Dec		7.457°		PS		18184 JUN		Lon		W 103 31 10.978		Easting		792071.40 NUS		Scale Factor		0.99996 109		Shy Date		May 09, 2013					



Critical Points							
Critical Point	MD	INCL	AZIM	TYD	YSEC	N(+)/S(-)	E(+)/W(-)
SHL Lea S 25 Fed Com #9H	0.00	0.00	357.86	0.00	0.00	0.00	0.00
KOP - Build @ 12°/100' DLS	9323.00	0.00	357.86	9323.00	0.00	0.00	0.00
Landing Point	10072.27	90.00	357.86	9800.00	477.00	476.67	-17.85
Nearburg Lea South 25 Federal Com #9H PBHL	14454.47	90.00	357.86	9800.00	4859.20	4855.80	-181.70



Nearburg (Cimarex) Lea South 25 Federal Com #9H Rev0 RJS 9-May-13
Proposal Report
(Non-Def Plan)



Report Date:	May 09, 2013 - 01:41 PM	Survey / DLS Computation:	Minimum Curvature / Lubinski
Client:	Cimarex/Nearburg	Vertical Section Azimuth:	357.857 ° (Grid North)
Field:	NM Lea County (NAD 83)	Vertical Section Origin:	0.000 ft, 0.000 ft
Structure / Slot:	TBD / Nearburg (Cimarex) Lea South 25 Federal Com #9H	TVD Reference Datum:	Ground Level
Well:	Nearburg (Cimarex) Lea South 25 Federal Com #9H	TVD Reference Elevation:	3728.000 ft above MSL
Borehole:	Original Borehole	Seabed / Ground Elevation:	3728.000 ft above MSL
UWI / API#:	Unknown / Unknown	Magnetic Declination:	7.457 °
Survey Name:	Nearburg (Cimarex) Lea South 25 Federal Com #9H Rev0 RJS 9-May-13	Total Gravity Field Strength:	998.4823mgn (9.80665 Based)
Survey Date:	May 09, 2013	Total Magnetic Field Strength:	48594.280 nT
Tort / AHD / DDI / ERD Ratio:	90.004 ° / 4859.200 ft / 5.810 / 0.496	Magnetic Dip Angle:	60.400 °
Coordinate Reference System:	NAD83 New Mexico State Plane, Eastern Zone, US Feet	Declination Date:	May 09, 2013
Location Lat / Long:	N 32° 32' 13.55896", W 103° 31' 10.97806"	Magnetic Declination Model:	BGM 2012
Location Grid N/E Y/X:	N 560085.100 ftUS, E 792071.400 ftUS	North Reference:	Grid North
CRS Grid Convergence Angle:	0.4376 °	Grid Convergence Used:	0.4376 °
Grid Scale Factor:	0.99998109	Total Corr Mag North->Grid North:	7.0198 °
		Local Coord Referenced To:	Structure Reference Point

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")	Closure (ft)	Closure Azimuth (°)	DLS (°/100ft)
SHL Lea S 25 Fed Com #9H	0.00	0.00	357.86	0.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	N/A
	100.00	0.00	357.86	100.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	200.00	0.00	357.86	200.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	300.00	0.00	357.86	300.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	400.00	0.00	357.86	400.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	500.00	0.00	357.86	500.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	600.00	0.00	357.86	600.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	700.00	0.00	357.86	700.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	800.00	0.00	357.86	800.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	900.00	0.00	357.86	900.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	1000.00	0.00	357.86	1000.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	1100.00	0.00	357.86	1100.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	1200.00	0.00	357.86	1200.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	1300.00	0.00	357.86	1300.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	1400.00	0.00	357.86	1400.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	1500.00	0.00	357.86	1500.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	1600.00	0.00	357.86	1600.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	1700.00	0.00	357.86	1700.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	1800.00	0.00	357.86	1800.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	1900.00	0.00	357.86	1900.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	2000.00	0.00	357.86	2000.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	2100.00	0.00	357.86	2100.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	2200.00	0.00	357.86	2200.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	2300.00	0.00	357.86	2300.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	2400.00	0.00	357.86	2400.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	2500.00	0.00	357.86	2500.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	2600.00	0.00	357.86	2600.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	2700.00	0.00	357.86	2700.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00

Drilling Office 2.6.1166.0 ...Original Borehole/Nearburg (Cimarex) Lea South 25 Federal Com #9H Rev0 RJS 9-May-13 5/28/2013 8:07 AM Page 2 of 4

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")	Closure (ft)	Closure Azimuth (°)	DLS (°/100ft)
	8300.00	0.00	357.86	8300.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	8400.00	0.00	357.86	8400.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	8500.00	0.00	357.86	8500.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	8600.00	0.00	357.86	8600.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	8700.00	0.00	357.86	8700.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	8800.00	0.00	357.86	8800.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	8900.00	0.00	357.86	8900.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	9000.00	0.00	357.86	9000.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	9100.00	0.00	357.86	9100.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	9200.00	0.00	357.86	9200.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	9300.00	0.00	357.86	9300.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
KOP - Build @ 12°/100' DLS	9323.00	0.00	357.86	9323.00	0.00	0.00	0.00	560085.10	792071.40	N 32 32 13.56	W 103 31 10.98	0.00	0.00	0.00
	9400.00	9.25	357.86	9399.67	6.20	6.20	-0.23	560091.30	792071.17	N 32 32 13.62	W 103 31 10.98	6.20	357.86	12.01
	9500.00	21.26	357.86	9495.97	32.46	32.44	-1.22	560117.54	792070.18	N 32 32 13.88	W 103 31 10.99	32.46	357.86	12.01
	9600.00	33.27	357.86	9584.69	78.19	78.14	-2.93	560163.24	792068.47	N 32 32 14.33	W 103 31 11.01	78.19	357.86	12.01
	9700.00	45.28	357.86	9661.96	141.39	141.29	-5.29	560226.38	792066.11	N 32 32 14.96	W 103 31 11.03	141.39	357.86	12.01
	9800.00	57.30	357.86	9724.38	219.28	219.12	-8.21	560304.22	792063.19	N 32 32 15.73	W 103 31 11.05	219.28	357.86	12.01
	9900.00	69.31	357.86	9769.23	308.45	308.23	-11.54	560393.33	792059.86	N 32 32 16.61	W 103 31 11.09	308.45	357.86	12.01
	10000.00	81.32	357.86	9794.54	405.01	404.72	-15.16	560489.81	792056.24	N 32 32 17.56	W 103 31 11.12	405.01	357.86	12.01
Landing Point	10072.27	90.00	357.86	9800.00	477.00	476.67	-17.85	560561.76	792053.55	N 32 32 18.28	W 103 31 11.14	477.00	357.86	12.01
	10100.00	90.00	357.86	9800.00	504.73	504.38	-18.89	560589.47	792052.51	N 32 32 18.55	W 103 31 11.15	504.73	357.86	0.00
	10200.00	90.00	357.86	9800.00	604.73	604.31	-22.63	560689.39	792048.77	N 32 32 19.54	W 103 31 11.19	604.73	357.86	0.00
	10300.00	90.00	357.86	9800.00	704.73	704.24	-26.38	560789.32	792045.02	N 32 32 20.53	W 103 31 11.22	704.73	357.86	0.00
	10400.00	90.00	357.86	9800.00	804.73	804.17	-30.12	560889.25	792041.28	N 32 32 21.52	W 103 31 11.26	804.73	357.86	0.00
	10500.00	90.00	357.86	9800.00	904.73	904.10	-33.86	560989.18	792037.54	N 32 32 22.51	W 103 31 11.29	904.73	357.86	0.00
	10600.00	90.00	357.86	9800.00	1004.73	1004.03	-37.60	561089.11	792033.80	N 32 32 23.50	W 103 31 11.33	1004.73	357.86	0.00
	10700.00	90.00	357.86	9800.00	1104.73	1103.96	-41.34	561189.03	792030.06	N 32 32 24.49	W 103 31 11.36	1104.73	357.86	0.00
	10800.00	90.00	357.86	9800.00	1204.73	1203.89	-45.09	561288.96	792026.31	N 32 32 25.47	W 103 31 11.40	1204.73	357.86	0.00
	10900.00	90.00	357.86	9800.00	1304.73	1303.82	-48.83	561388.89	792022.57	N 32 32 26.46	W 103 31 11.43	1304.73	357.86	0.00
	11000.00	90.00	357.86	9800.00	1404.73	1403.75	-52.57	561488.82	792018.83	N 32 32 27.45	W 103 31 11.47	1404.73	357.86	0.00
	11100.00	90.00	357.86	9800.00	1504.73	1503.68	-56.31	561588.74	792015.09	N 32 32 28.44	W 103 31 11.50	1504.73	357.86	0.00
	11200.00	90.00	357.86	9800.00	1604.73	1603.61	-60.05	561688.67	792011.35	N 32 32 29.43	W 103 31 11.54	1604.73	357.86	0.00
	11300.00	90.00	357.86	9800.00	1704.73	1703.54	-63.79	561788.60	792007.61	N 32 32 30.42	W 103 31 11.57	1704.73	357.86	0.00
	11400.00	90.00	357.86	9800.00	1804.73	1803.47	-67.53	561888.53	792003.87	N 32 32 31.41	W 103 31 11.61	1804.73	357.86	0.00
	11500.00	90.00	357.86	9800.00	1904.73	1903.40	-71.27	561988.46	792000.13	N 32 32 32.40	W 103 31 11.64	1904.73	357.86	0.00
	11600.00	90.00	357.86	9800.00	2004.73	2003.33	-75.01	562088.38	791996.39	N 32 32 33.39	W 103 31 11.68	2004.73	357.86	0.00
	11700.00	90.00	357.86	9800.00	2104.73	2103.26	-78.75	562188.31	791992.65	N 32 32 34.38	W 103 31 11.71	2104.73	357.86	0.00
	11800.00	90.00	357.86	9800.00	2204.73	2203.19	-82.49	562288.24	791988.91	N 32 32 35.36	W 103 31 11.75	2204.73	357.86	0.00
	11900.00	90.00	357.86	9800.00	2304.73	2303.12	-86.23	562388.17	791985.17	N 32 32 36.35	W 103 31 11.78	2304.73	357.86	0.00
	12000.00	90.00	357.86	9800.00	2404.73	2403.05	-89.97	562488.10	791981.43	N 32 32 37.34	W 103 31 11.81	2404.73	357.86	0.00
	12100.00	90.00	357.86	9800.00	2504.73	2502.98	-93.71	562588.02	791977.69	N 32 32 38.33	W 103 31 11.85	2504.73	357.86	0.00
	12200.00	90.00	357.86	9800.00	2604.73	2602.91	-97.45	562687.95	791973.95	N 32 32 39.32	W 103 31 11.88	2604.73	357.86	0.00
	12300.00	90.00	357.86	9800.00	2704.73	2702.84	-101.19	562787.88	791970.21	N 32 32 40.31	W 103 31 11.92	2704.73	357.86	0.00
	12400.00	90.00	357.86	9800.00	2804.73	2802.77	-104.93	562887.81	791966.47	N 32 32 41.30	W 103 31 11.95	2804.73	357.86	0.00
	12500.00	90.00	357.86	9800.00	2904.73	2902.70	-108.67	562987.74	791962.73	N 32 32 42.29	W 103 31 11.99	2904.73	357.86	0.00
	12600.00	90.00	357.86	9800.00	3004.73	3002.63	-112.41	563087.66	791959.00	N 32 32 43.28	W 103 31 12.02	3004.73	357.86	0.00
	12700.00	90.00	357.86	9800.00	3104.73	3102.56	-116.14	563187.59	791955.26	N 32 32 44.27	W 103 31 12.06	3104.73	357.86	0.00
	12800.00	90.00	357.86	9800.00	3204.73	3202.49	-119.88	563287.52	791951.52	N 32 32 45.25	W 103 31 12.09	3204.73	357.86	0.00
	12900.00	90.00	357.86	9800.00	3304.73	3302.42	-123.62	563387.45	791947.78	N 32 32 46.24	W 103 31 12.13	3304.73	357.86	0.00
	13000.00	90.00	357.86	9800.00	3404.73	3402.35	-127.36	563487.38	791944.04	N 32 32 47.23	W 103 31 12.16	3404.73	357.86	0.00
	13100.00	90.00	357.86	9800.00	3504.73	3502.28	-131.10	563587.30	791940.31	N 32 32 48.22	W 103 31 12.20	3504.73	357.86	0.00
	13200.00	90.00	357.86	9800.00	3604.73	3602.21	-134.83	563687.23	791936.57	N 32 32 49.21	W 103 31 12.23	3604.73	357.86	0.00
	13300.00	90.00	357.86	9800.00	3704.73	3702.14	-138.57	563787.16	791932.83	N 32 32 50.20	W 103 31 12.27	3704.73	357.86	0.00
	13400.00	90.00	357.86	9800.00	3804.73	3802.07	-142.31	563887.09	791929.09	N 32 32 51.19	W 103 31 12.30	3804.73	357.86	0.00

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")	Closure (ft)	Closure Azimuth (°)	DLS (°/100ft)
	13500.00	90.00	357.86	9800.00	3904.73	3902.00	-146.04	563987.02	791925.36	N 32 32 52.18	W 103 31 12.34	3904.73	357.86	0.00
	13600.00	90.00	357.86	9800.00	4004.73	4001.93	-149.78	564086.94	791921.62	N 32 32 53.17	W 103 31 12.37	4004.73	357.86	0.00
	13700.00	90.00	357.86	9800.00	4104.73	4101.86	-153.52	564186.87	791917.88	N 32 32 54.16	W 103 31 12.41	4104.73	357.86	0.00
	13800.00	90.00	357.86	9800.00	4204.73	4201.79	-157.25	564286.80	791914.15	N 32 32 55.14	W 103 31 12.44	4204.73	357.86	0.00
	13900.00	90.00	357.86	9800.00	4304.73	4301.72	-160.99	564386.73	791910.41	N 32 32 56.13	W 103 31 12.47	4304.73	357.86	0.00
	14000.00	90.00	357.86	9800.00	4404.73	4401.65	-164.73	564486.66	791906.68	N 32 32 57.12	W 103 31 12.51	4404.73	357.86	0.00
	14100.00	90.00	357.86	9800.00	4504.73	4501.58	-168.46	564586.58	791902.94	N 32 32 58.11	W 103 31 12.54	4504.73	357.86	0.00
	14200.00	90.00	357.86	9800.00	4604.73	4601.51	-172.20	564686.51	791899.21	N 32 32 59.10	W 103 31 12.58	4604.73	357.86	0.00
	14300.00	90.00	357.86	9800.00	4704.73	4701.44	-175.93	564786.44	791895.47	N 32 33 0.09	W 103 31 12.61	4704.73	357.86	0.00
	14400.00	90.00	357.86	9800.00	4804.73	4801.37	-179.67	564886.37	791891.73	N 32 33 1.08	W 103 31 12.65	4804.73	357.86	0.00
Nearburg Lea South 25 Federal Com #9H PBHL	14454.47	90.00	357.86	9800.00	4859.20	4855.80	-181.70	564940.80	791889.70	N 32 33 1.62	W 103 31 12.67	4859.20	357.86	0.00

Survey Type: Non-Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma

Survey Program:

Description	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Survey Tool Type	Borehole / Survey
	0.000	14454.470	1/100.000	30.000	30.000	SLB_MWD-STD	Original Borehole / Nearburg (Cimarex) Lea South 25 Federal

Drilling 12-1/4" hole
below 13 3/8" Casing

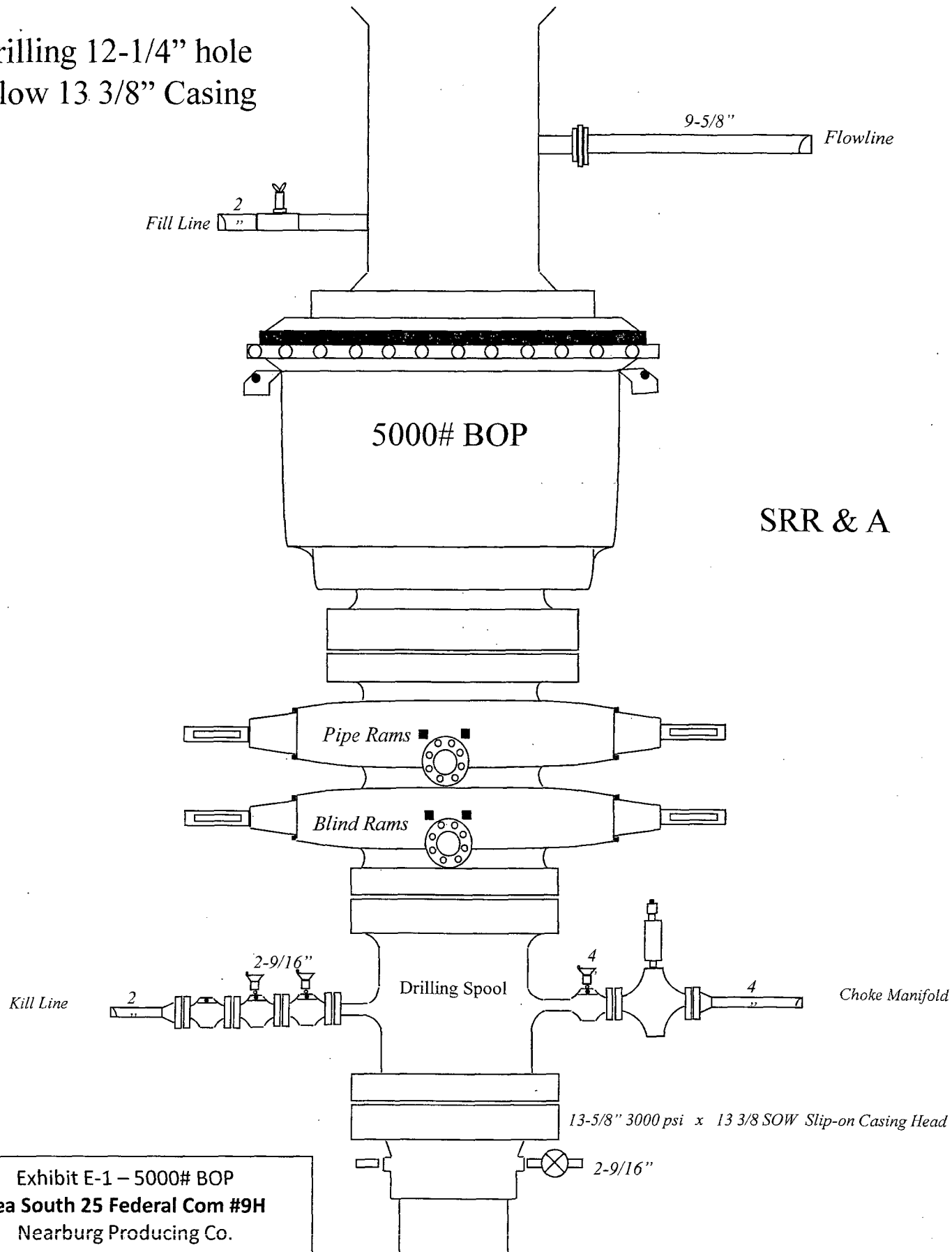


Exhibit E-1 – 5000# BOP
Lea South 25 Federal Com #9H
Nearburg Producing Co.
25-20S-34E
SHL 93 FSL & 806 FWL
BHL 330 FNL & 810 FWL
Lea County, NM

Drilling 8-3/4" hole
below 9 5/8" Casing

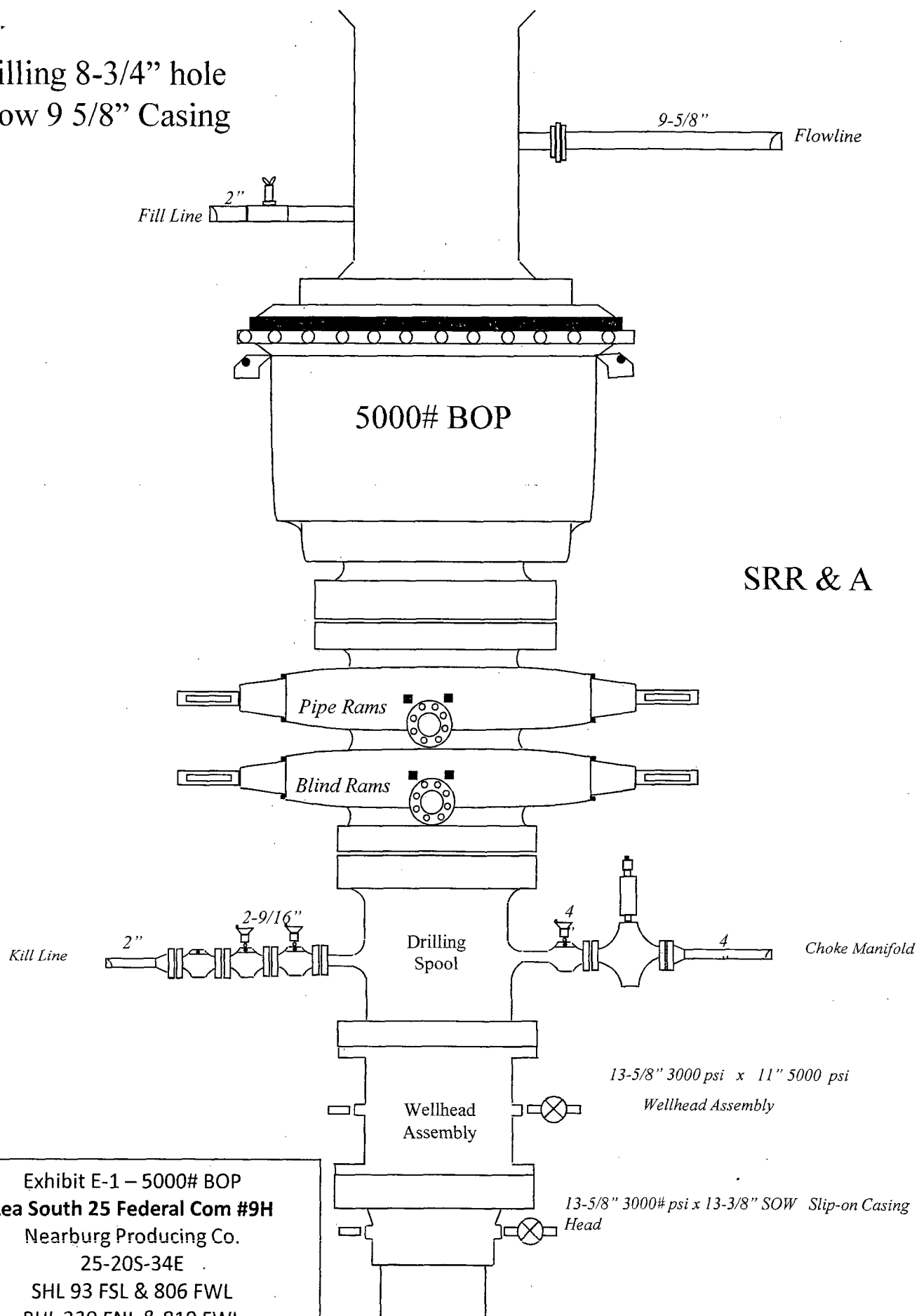


Exhibit E-1 – 5000# BOP
Lea South 25 Federal Com #9H
Nearburg Producing Co.
25-20S-34E
SHL 93 FSL & 806 FWL
BHL 330 FNL & 810 FWL
Lea County, NM

Drilling Operations
Choke Manifold
5M Service

Exhibit E-1 – Choke Manifold Diagram
Lea South 25 Federal Com #9H
Nearburg Producing Co.
25-20S-34E
SHL 93 FSL & 806 FWL
BHL 330 FNL & 810 FWL
Lea County, NM

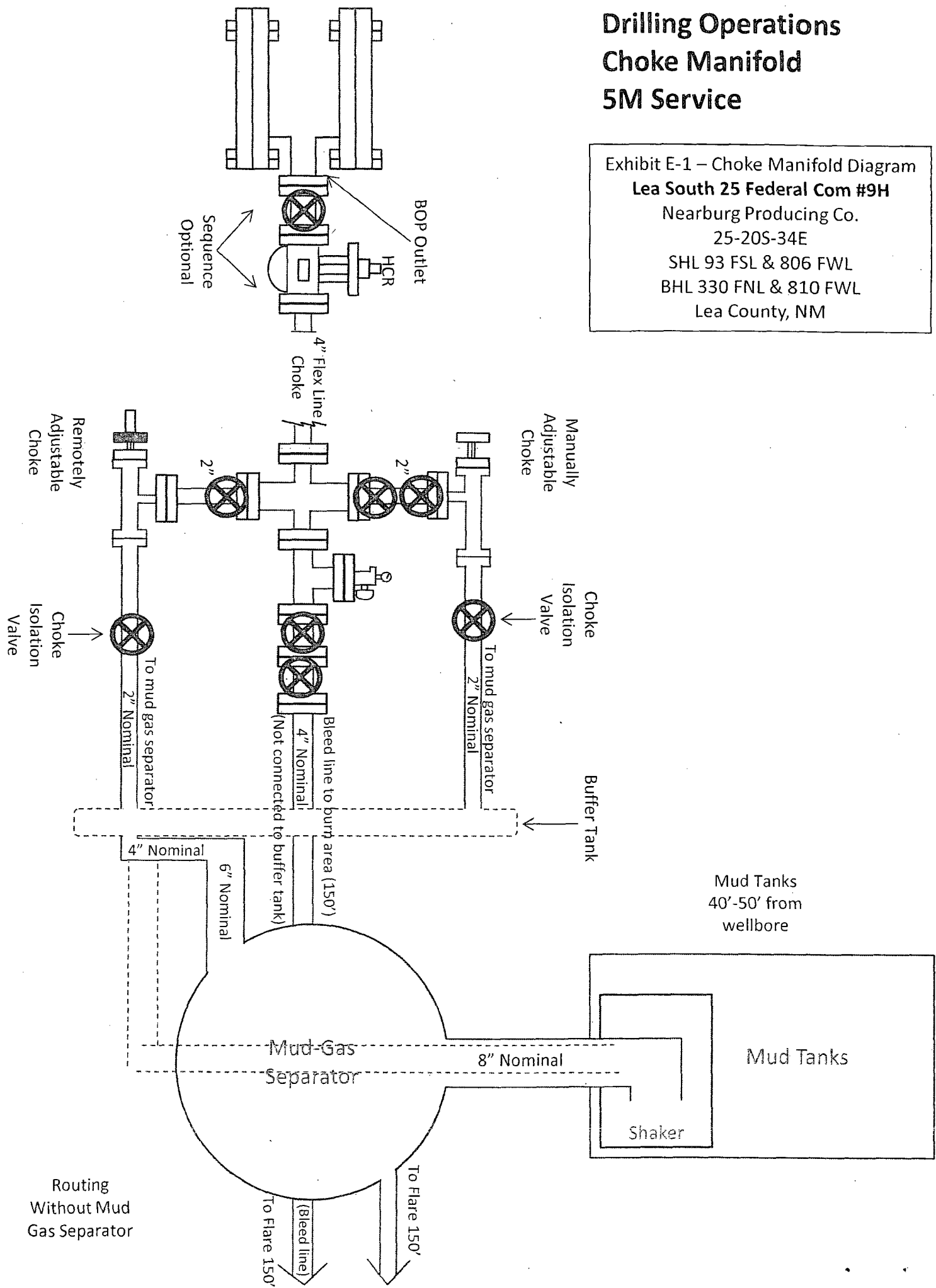


Exhibit F-1 - Co-Flex Hose Hydrostatic Test

Lea South 25 Federal Com #9H

Nearburg Producing Co.

25-20S-34E

SHL 93 FSL & 806 FWL

BHL 330 FNL & 810 FWL

Lea County, NM



Midwest Hose
& Specialty, Inc.

INTERNAL HYDROSTATIC TEST REPORT

Customer:

Oderco Inc

P.O. Number:

odyd-271

HOSE SPECIFICATIONS

Type: Stainless Steel Armor
Choke & Kill Hose

Hose Length: 45'ft.

I.D. 4 INCHES

O.D. 9 INCHES

WORKING PRESSURE:

10,000 PSI

TEST PRESSURE

15,000 PSI

BURST PRESSURE

0 PSI

COUPLINGS

Stem Part No.

OKC
OKC

Ferrule No.

OKC
OKC

Type of Coupling:

Swage-It

PROCEDURE

Hose assembly pressure tested with water at ambient temperature.

TIME HELD AT TEST PRESSURE

15 MIN.

ACTUAL BURST PRESSURE:

0 PSI

Hose Assembly Serial Number:

79793

Hose Serial Number:

OKC

Comments:

Date:

3/8/2011

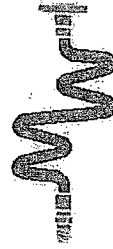
Tested:

O. Garcia

Approved:

Lea

Exhibit F-1 – Co-Flex Hose Hydrostatic Test
Lea South 25 Federal Com #9H
 Nearburg Producing Co.
 25-20S-34E
 SHL 93 FSL & 806 FWL
 BHL 330 FNL & 810 FWL
 Lea County, NM



Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Graph

Customer: Houston

Pick Ticket #: 94260

March 3, 2011

<u>Hose Specifications</u>		<u>Verification</u>	
Hose Type CER	Length 45'	Type of Fittings 41/16 10K	Coupling Method Swage
I.D. 4"	O.D. 6.09"	Die Size 6.38"	Final O.D. 6.25"
Working Pressure 10000 PSI	Burst Pressure Series of Safety Multiplier Applied	Hose Serial # 5544	Hose Assembly Serial # 79793

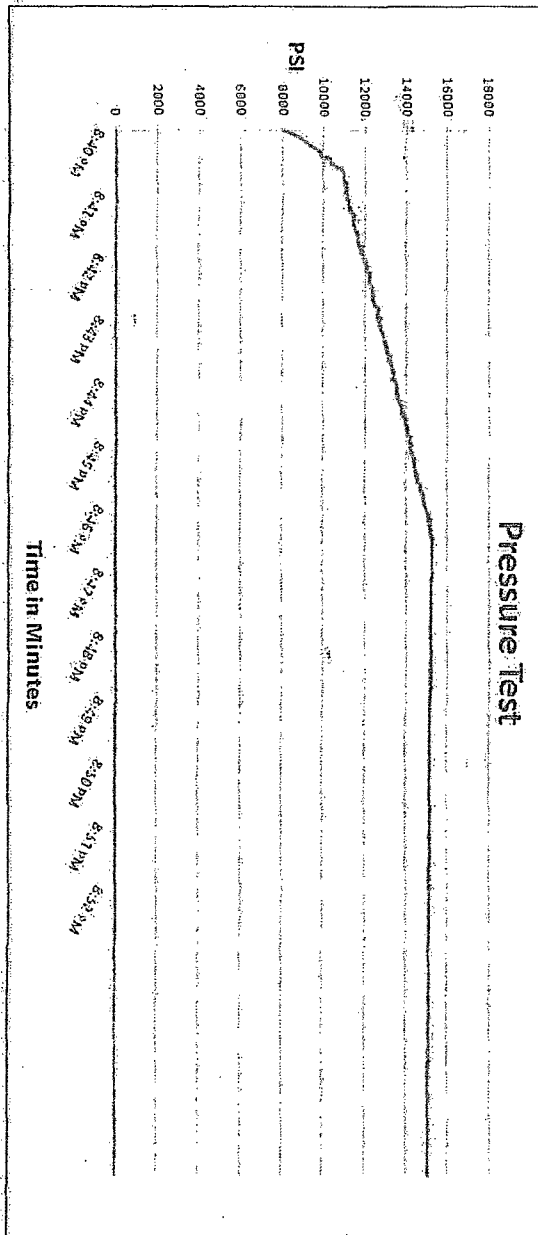


Exhibit F-2 – Co-Flex Hose
Lea South 25 Federal Com #9H
Nearburg Producing Co.
25-20S-34E
SHL 93 FSL & 806 FWL
BHL 330 FNL & 810 FWL
Lea County, NM



Midwest Hose & Specialty, Inc.

Certificate of Conformity

Customer:

DEM

PO

ODYD-271

SPECIFICATIONS

Sales Order

79793

Dated:

3/8/2011

We hereby certify that the material supplied
for the referenced purchase order to be true
according to the requirements of the purchase
order and current industry standards

Supplier:

Midwest Hose & Specialty, Inc.
10640 Tanner Road
Houston, Texas 77041

Comments:

Approved:

James Lincoln

Date:

3/8/2011



Midwest Hose
& Specialty, Inc.

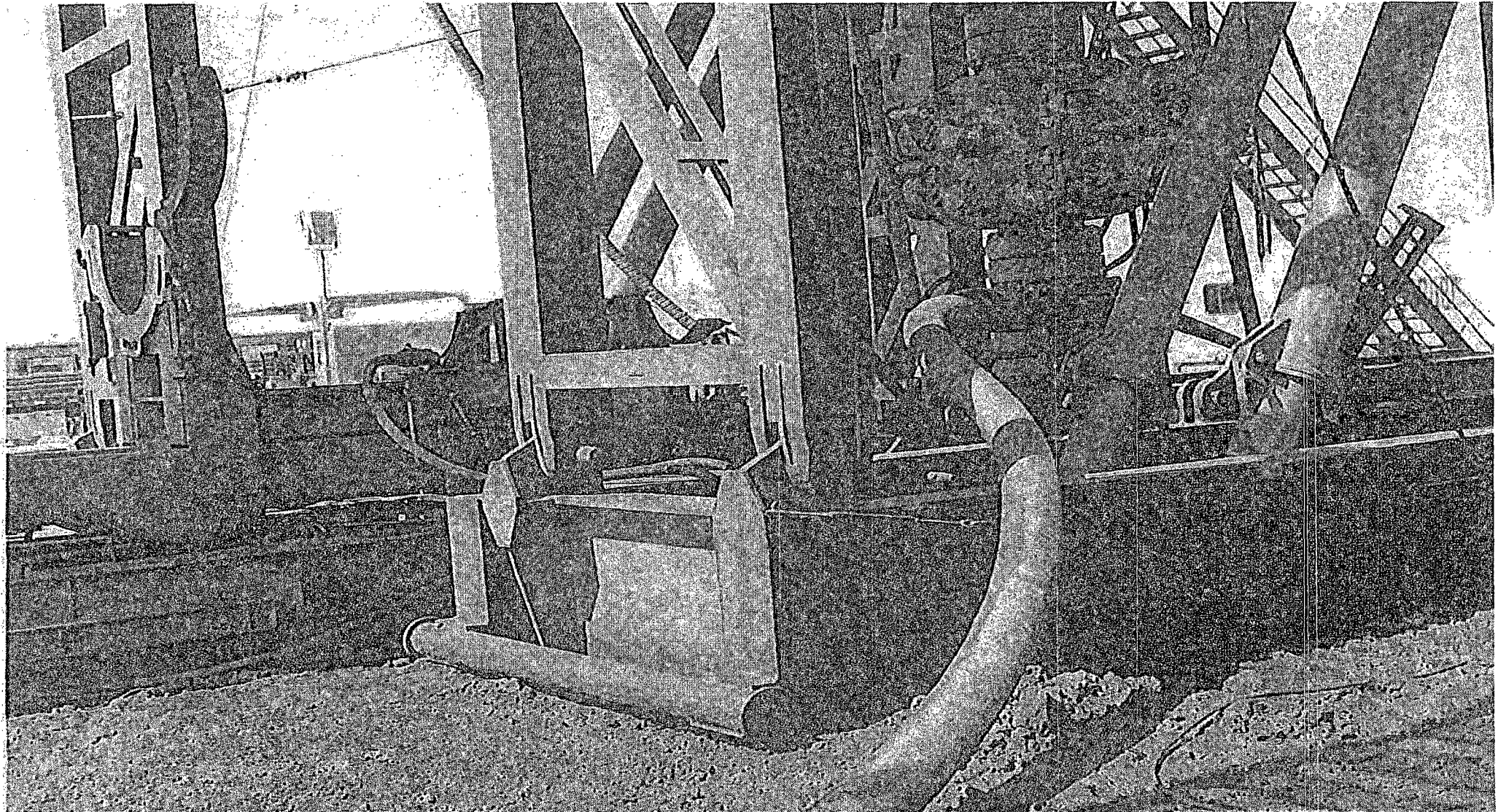
Exhibit F -3- Co-Flex Hose
Lea South 25 Federal Com #9H
Nearburg Producing Co.
25-20S-34E
SHL 93 FSL & 806 FWL
BHL 330 FNL & 810 FWL
Lea County, NM

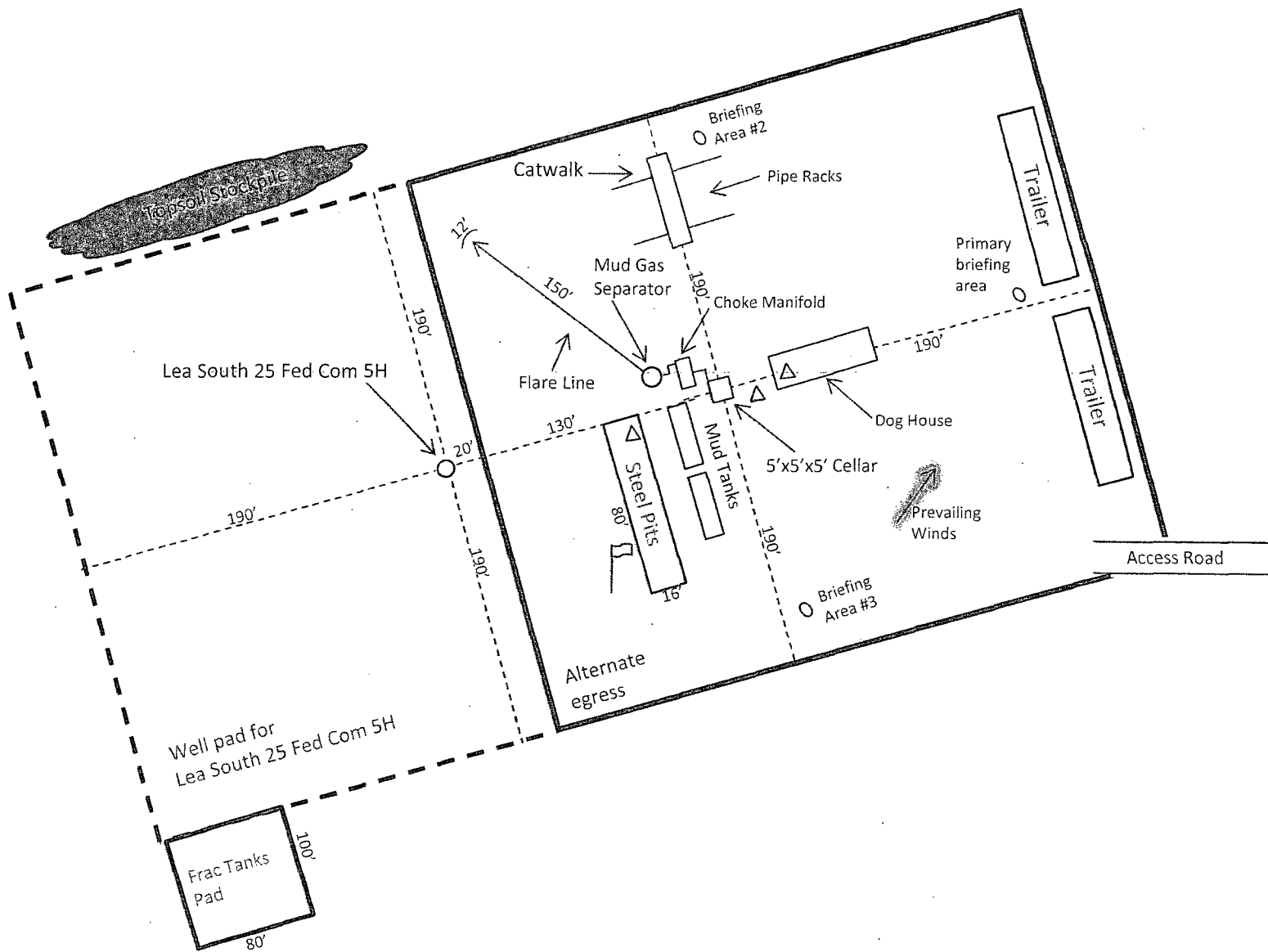
Specification Sheet Choke & Kill Hose

The Midwest Hose & Specialty Choke & Kill hose is manufactured with only premium components. The reinforcement cables, inner liner and cover are made of the highest quality material to handle the tough drilling applications of today's industry. The end connections are available with API flanges, API male threads, hubs, hammer unions or other special fittings upon request. Hose assembly is manufactured to API 7K. This assembly is wrapped with fire resistant vermiculite coated fiberglass insulation, rated at 2000 degrees with stainless steel armor cover.

Working Pressure:	5,000 or 10,000 psi working pressure
Test Pressure:	10,000 or 15,000 psi test pressure
Reinforcement:	Multiple steel cables
Cover:	Stainless Steel Armor
Inner Tube:	Petroleum resistant, Abrasion resistant
End Fitting:	API flanges, API male threads, threaded or butt weld hammer unions, unbolt and other special connections
Maximum Length:	110 Feet
ID:	2-1/2", 3", 3-1/2", 4"
Operating Temperature:	-22 deg F to +180 deg F (-30 deg C to +82 deg C)

Exhibit F – Co-Flex Hose
Lea South 25 Federal Com #9H
Nearburg Producing Co.
25-20S-34E
SHL 93 FSL & 806 FWL
BHL 330 FNL & 810 FWL
Lea County, NM





-  Wind Direction Indicators (wind sock or streamers)
-  • H2S Monitors (alarms at bell nipple and shale shaker)
-  ○ Briefing Areas



Exhibit D – Rig Diagram
Lea South 25 Federal Com #9H
 Nearburg Producing Co.
 25-20S-34E
 SHL 93 FSL & 806 FWL
 BHL 330 FNL & 810 FWL
 Lea County, NM